

Indiana Bankers Association  
Regulations H, Q, and Y  
Docket No. R-1442  
Regulatory Capital Rules

On October 1, 2012, members of the Indiana Bankers Association met with Governor Daniel Tarullo to discuss the joint notice of proposed rulemaking on regulatory capital requirements, which would implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III regulatory capital reforms. Association members expressed concern about the impact on community banks and cited the complexity of the proposal and the potential costs and compliance burden. In particular, association members expressed concerns about proposed risk weights on certain types of mortgages, loans, and other assets; the treatment of trust preferred securities; and the inclusion of other comprehensive income in capital. Association members said the proposed regulations would force banks to curtail lending and limit their ability to serve customers. They also noted the capital-raising difficulties faced by smaller institutions.